

L.S.U. AT EUNICE FOUNDATION, INC.
Eunice, Louisiana

FINANCIAL REPORT

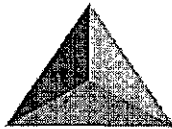
Years Ended June 30, 2008 and 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/10/08

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3-4
Statements of cash flows	5
Notes to financial statements	6-8
ADDITIONAL INFORMATION	
Independent Auditor's report on Compliance and on Internal control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Schedule of Findings and Questioned Costs	12
Summary Schedule of Prior Year Findings	13
Management's Corrective Action Plan	14



**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
L.S.U. at Eunice Foundation, Inc.
Eunice, Louisiana

We have audited the accompanying statements of financial position of the L.S.U. at Eunice Foundation, Inc. (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the L.S.U. at Eunice Foundation, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 17, 2008

2000 Katiste Saloom Rd.
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Ave.
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Ave.
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants
www.dsicpas.com

Eugene H. Darnall, CPA, Retired 1990

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L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Financial Position
June 30, 2008 and 2007

ASSETS			
		<u>2008</u>	<u>2007</u>
ASSETS			
Investments in L.S.U. Foundation managed assets		<u>\$ 1,662,790</u>	<u>\$ 1,782,614</u>
Total assets		<u>\$ 1,662,790</u>	<u>\$ 1,782,614</u>
LIABILITIES AND NET ASSETS			
NET ASSETS			
Unrestricted		\$ 406,713	\$ 601,499
Permanently restricted		<u>1,256,077</u>	<u>1,181,115</u>
Total net assets		<u>1,662,790</u>	<u>1,782,614</u>
Total liabilities and net assets		<u>\$ 1,662,790</u>	<u>\$ 1,782,614</u>

The accompanying notes are an integral part of the financial statements.

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Activities
Years Ended June 30, 2008 and 2007

	Year Ended June 30, 2008		
	Unrestricted	Permanently Restricted	Total
REVENUES, GAINS, AND RECLASSIFICATIONS			
Contributions	\$ 97,608	\$ 20,119	\$ 117,727
Interest	163,339	-	163,339
Unrealized gains (losses) on investments	(287,426)	54,843	(232,583)
Total revenues and gains (losses)	<u>(26,479)</u>	<u>74,962</u>	<u>48,483</u>
EXPENSES			
Supporting services			
Fellowships	27,399	-	27,399
Travel	9,431	-	9,431
Operating services	12,019	-	12,019
Operating supplies	26,213	-	26,213
Professional services	20,399	-	20,399
Other charges	29,688	-	29,688
Student scholarships	41,558	-	41,558
Miscellaneous	-	-	-
Equipment/acquisitions	1,600	-	1,600
Total expenses	<u>168,307</u>	<u>-</u>	<u>168,307</u>
CHANGE IN NET ASSETS	(194,786)	74,962	(119,824)
NET ASSETS AT BEGINNING OF YEAR	<u>601,499</u>	<u>1,181,115</u>	<u>1,782,614</u>
NET ASSETS AT END OF YEAR	<u>\$ 406,713</u>	<u>\$ 1,256,077</u>	<u>\$1,662,790</u>

Year Ended June 30, 2007		
Unrestricted	Permanently Restricted	Total
\$ 125,334	\$ 20,246	\$ 145,580
120,717	-	120,717
(16,468)	249,617	233,149
<u>229,583</u>	<u>269,863</u>	<u>499,446</u>
17,043	-	17,043
15,532	-	15,532
14,925	-	14,925
19,696	-	19,696
14,228	-	14,228
17,364	-	17,364
29,950	-	29,950
1,583	-	1,583
<u>11,508</u>	<u>-</u>	<u>11,508</u>
<u>141,829</u>	<u>-</u>	<u>141,829</u>
87,754	269,863	357,617
<u>513,745</u>	<u>911,252</u>	<u>1,424,997</u>
<u>\$ 601,499</u>	<u>\$ 1,181,115</u>	<u>\$1,782,614</u>

The accompanying notes are an integral part of the financial statements.

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Cash Flows
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (119,824)	\$ 357,617
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	<u>232,583</u>	<u>(233,149)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>112,759</u>	<u>124,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments in L.S.U. Foundation managed assets	(117,727)	(145,580)
Reinvestment of income in L.S.U. Foundation managed assets	(163,339)	(120,717)
Withdrawal of investments in L.S.U. Foundation managed assets	<u>168,307</u>	<u>141,829</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(112,759)</u>	<u>(124,468)</u>
NET INCREASE IN CASH	-	-
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The L.S.U. at Eunice Foundation, Inc. is a non-profit corporation formed to promote the educational cultural welfare of Louisiana State University at Eunice by accepting gifts for the purpose of providing scholarships, aiding research or such other designated projects for the benefit of the University.

Basis of Accounting

The financial statements of the L.S.U. at Eunice Foundation, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the L.S.U. at Eunice Foundation, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. L.S.U. at Eunice Foundation, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily restricted net assets.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2 INVESTMENT IN L.S.U. FOUNDATION MANAGED ASSETS

The L.S.U. at Eunice Foundation entered into a management agreement with the L.S.U. Foundation whereby the L.S.U. Foundation shall hold funds on behalf of the L.S.U. at Eunice Foundation solely for the purpose of investing the funds. The L.S.U. Foundation may assess its standard service fees annually to cover its administrative costs. The agreement shall remain in effect until 180-day written notice is given by either party to the other party.

Investments held by the L.S.U. Foundation on behalf of the L.S.U. at Eunice Foundation are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities. Investment in L.S.U. Foundation managed assets consisted of the following as of June 30:

	2008		2007	
	Cost	Market Value	Cost	Market Value
Unrestricted	\$ 410,509	\$ 406,713	\$ 102,134	\$ 601,499
Permanently Restricted	<u>985,499</u>	<u>1,256,077</u>	<u>1,181,115</u>	<u>1,181,115</u>
	<u>\$1,396,008</u>	<u>\$1,662,790</u>	<u>\$1,283,249</u>	<u>\$1,782,614</u>

NOTE 3 RESTRICTIONS ON NET ASSETS

Permanently restricted net assets consist of the following at June 30:

	2008	2007
Endowment funds	<u>\$1,256,077</u>	<u>\$1,181,115</u>

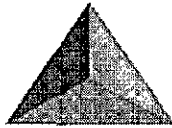
L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements

NOTE 4 COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the organization to the provisions of the grant.

ADDITIONAL INFORMATION



**Darnall, Sikes,
Gardes Frederick**

(A Corporation of Certified Public Accountants)

**Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in
Accordance with *Governmental Auditing Standards***

To the Board of Directors
L.S.U. at Eunice Foundation, Inc.
Eunice, Louisiana

We have audited the financial statements of L.S.U. at Eunice Foundation, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2008, and have issued our report thereon dated November 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered L.S.U. at Eunice Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of L.S.U. at Eunice Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

2000 Kaliste Saloom Rd.
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Ave.
Eunice, LA 70535
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1201 Brashear Ave.
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www.dsfcpas.com

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether L.S.U. at Eunice Foundation, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document, therefore its distribution is not limited.

Dannall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 17, 2008

L.S.U. AT EUNICE FOUNDATION, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part I Summary of auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on L.S.U. at Eunice Foundation, Inc.'s financial statements as of and for the year ended June 30, 2008.

Significant Deficiencies – Financial Reporting

There were no significant deficiencies or material weaknesses in internal control noted during the audit of the financial statements.

Material Noncompliance or Other Matters – Financial Reporting

There was no instance of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2008.

Part II Findings relating to an Audit in Accordance with *Government Auditing Standards*

There were no reportable conditions or instances of material noncompliance noted during the audit.

Part III Findings and Questioned Costs Relating to Federal Programs

At June 30, 2008, L.S.U. at Eunice Foundation, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore this section is not applicable.

L.S.U. AT EUNICE FOUNDATION, INC.

Summary of Schedule of Prior Year Findings
Year Ended June 30, 2008

There were no prior year findings.

L.S.U. AT EUNICE FOUNDATION, INC.

**Management's Corrective Action Plan
Year Ended June 30, 2008**

No current year findings were noted, therefore, no response is deemed necessary.